

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

<b>(1) DEPARTMENT</b> General Services	<b>(2) MEETING DATE</b> 4/10/2012	<b>(3) CONTACT/PHONE</b> Katie Perez 781-5200 Chief Reid 781-4500	
<b>(4) SUBJECT</b> Request to approve Project Delivery and Construction Agreement (PDCA) (Clerk's File) and Corrections Standards Authority (CSA) Jail Construction Agreement (JCA) (Clerk's File) allowing the Women's Jail project to move through the State Lease Bond process.			
<b>(5) RECOMMENDED ACTION</b> General Services and the County Sheriff-Coroner recommend your Board instruct the Chairperson to sign the Project Delivery and Construction Agreement (PDCA) (Clerk's File) and Corrections Standards Authority (CSA) Jail Construction Agreement (JCA) in order to obtain AB 900 funding to construct Women's Jail.			
<b>(6) FUNDING SOURCE(S)</b> State lease revenue bonds: 25.1 million County Funds (from reserves): \$10 million In-Kind Match: \$1.3 million	<b>(7) CURRENT YEAR FINANCIAL IMPACT</b> \$1.2 million in budgeted funding for design.	<b>(8) ANNUAL FINANCIAL IMPACT</b> The ongoing staff and operational cost is estimated to be \$1.6 million beginning in FY 2013-14 or FY 2014-15.	<b>(9) BUDGETED?</b> Yes Approximately \$2.5 million is budgeted. The rest is designated in reserves.
<b>(10) AGENDA PLACEMENT</b> <div style="display: flex; justify-content: space-between;"> <span>{ } Consent</span> <span>{ } Presentation (Time Est. 30 min.)</span> <span>{ } Hearing (Time Est. _____)</span> <span><b>{ X }</b> Board Business</span> </div>			
<b>(11) EXECUTED DOCUMENTS</b> <div style="display: flex; justify-content: space-between;"> <span>{ } Resolutions</span> <span><b>{ X }</b> Contracts</span> </div> <div style="display: flex; justify-content: space-between;"> <span>{ } Ordinances</span> <span>{ } N/A</span> </div>		<b>(12) BUDGET ADJUSTMENT REQUIRED?</b> BAR ID Number: <div style="display: flex; justify-content: space-between;"> <span>{ } 4/5th's Vote Required</span> <span><b>{ X }</b> N/A</span> </div>	
<b>(13) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)</b>		<b>(14) W-9</b> <div style="display: flex; justify-content: space-between;"> <span><b>{ X }</b> No</span> <span>{ } Yes</span> </div>	
<b>(15) LOCATION MAP</b>  Attached	<b>(16) BUSINESS IMPACT STATEMENT?</b>  No	<b>(17) AGENDA ITEM HISTORY</b>  <div style="display: flex; justify-content: space-between;"> <span>{ } N/A</span> <span>Date 07/18/2006; 01/29/2008; 03/11/2008; 09/21/2010; 02/22/2011</span> </div>	
<b>(18) ADMINISTRATIVE OFFICE REVIEW</b>			
<b>(19) SUPERVISOR DISTRICT(S)</b> District 2 -			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: General Services / Katie Perez 781-5200  
County Sheriff - Coroner / Chief Deputy Reid 781-4500

DATE: 4/10/2012

SUBJECT: Request to approve Project Delivery and Construction Agreement (PDCA) (Clerk's File) and Corrections Standards Authority (CSA) Jail Construction Agreement (JCA) (Clerk's File) allowing the Women's Jail project to move through the State Lease Bond process.

## **RECOMMENDATION**

General Services and the County Sheriff-Coroner recommend your Board instruct the Chairperson to sign the Project Delivery and Construction Agreement (PDCA) (Clerk's File) and Corrections Standards Authority (CSA) Jail Construction Agreement (JCA) in order to obtain AB 900 funding to construct the Women's Jail.

## **DISCUSSION**

### **Background**

On February 22, 2011 your Board approved restarting the Women's Jail project after over two years of inactivity. During this Board meeting staff presented updated information about the project and information on programs intended to reduce incarceration by current and future inmates. The Board gave direction to move forward with the project and continue to seek AB 900 funding.

The Women's Jail project was established to address overcrowding conditions for female inmates being held in custody at the County jail to accommodate 108 inmates single bunked and approximately 196 inmates when double bunked. Although, the women's jail has a rated capacity of 43 female inmates, it consistently operates at levels which exceed the capacity. From FY 2007-08 through FY 2008-09, the women's jail population averaged 73 female inmates. In October 2011, the State instituted the realignment of State inmates under AB 109. As a result, the female population average in the facility has increased to 89, more than double the rated capacity.

The County began formal architectural design of the facility in 2006. During the initial design stage of the project, the Governor signed the Public Safety and Offender Rehabilitation Act (AB 900) in May 2007. This legislation includes a provision to allocate \$1.2 billion in state funding to be used for the construction of local jail facilities. The State established a competitive application process for counties to apply for grant funds.

In March 2008, San Luis Obispo County submitted an application to the State for AB 900 funds and received conditional approval in September 2008. At the end of 2008, the County placed the architectural design work on hold, due to uncertainty about whether the State of California would actually be able to fund the proposed project.

There are four overall components included in the proposed project:

- The women's jail housing unit is approximately 38,000 square feet and estimated to cost \$27.5 million.

- The medical facility is approximately 7,400 square feet and estimated to cost \$6 million. The facility will serve both men and women inmates.
- A new security system upgrade for the entire jail complex is estimated to cost \$2.9 million. Replacement of the existing jail security system is a facility priority and the upgrade is required, regardless of whether the women's housing unit and medical facility is constructed.
- The proposed project to expand and remodel the existing Intake Release Center (IRC) at the jail is optional and estimated to cost \$5.5 million.

The original application to the State of California for AB 900 funds included only the women's jail housing unit and the medical facility. Both the expansion and remodel of the IRC and new security system involved retrofit of the existing jail and is not considered new construction. If the IRC and security system upgrade were included in the State grant application, it would have triggered a requirement to retrofit the entire existing jail facility up to the standards of the latest building code. The facility upgrade would have involved extensive structural modifications and cost. A rough estimate of the cost to bring the entire jail complex up to current building code requirements is \$15 - \$25 million. Construction retrofit activities would also cause significant disruption to the existing operations of the jail.

Construction costs for the women's jail and medical facility are eligible for approximately \$25.1 million in State funding. The County's share of funding for the jail housing unit and medical facility is estimated at \$7.1 million (Table 1). Funding for the new security system has been identified and the security component will be included with the State funded components. Funding for the IRC construction has not been identified. Construction is estimated to be \$5.5 million. This project component would only be recommended if there were sufficient savings in other areas of the project.

**TABLE 1**  
**State Funded Authorized Project Components**

<b>Facility</b>	<b><u>Expense</u></b>		<b><u>Sources of Funding</u></b>	
	<b>Est. Cost</b>	<b>State Funding</b>	<b>In Kind Match</b>	<b>County Cash Funding</b>
Housing Unit	\$27.5 M	\$25.1 M	\$1.3 M	\$7.1 M
Medical Facility	\$6 M			
<b>Total</b>	<b>\$33.5 M</b>	<b>\$25.1 M</b>	<b>\$1.3 M</b>	<b>\$7.1 M</b>

Table 2 below illustrates the cost of all project components included in the project along with associated funding sources.

**TABLE 2**  
**Total Project Costs and Funding Sources**

<b>Facility</b>	<b><u>Expense</u></b>		<b><u>Sources of Funding</u></b>	
	<b>Est. Cost</b>	<b>State Funding</b>	<b>In Kind Match</b>	<b>County Cash Funding</b>
Housing Unit	\$27.5 M	\$25.1 M	\$1.3 M	\$7.1 M
Medical Facility	\$6 M			
Security System	\$2.9 M	0	0	\$2.9 M
<b>Total</b>	<b>\$36.4 M</b>	<b>\$25.1 M</b>	<b>\$1.3 M</b>	<b>\$10 M</b>
Optional IRC*	\$5.5 M	0	0	*\$5.5 M
<b>Total with Option</b>	<b>\$41.9 M</b>	<b>\$25.1 M</b>	<b>\$1.3 M</b>	<b>\$15.5 M</b>

\* Funding for the \$5.5 million to construct the optional IRC remodel and expansion is not yet identified. State funding is not available for this facility.

#### Current Status

The County Administrative Office, County Council, General Services Agency and the Sheriff's Office have continued to work with the State to secure AB 900 funding. There are several steps in the process of submitting documents that go to the State for approval, and some of the steps outlined in the AB 900 enabling legislation may be combined and others may require individual approval.

To move forward, the Board must review and approve the 30 year staffing and 30 year operational costs for this project. The intent of this review is to make sure the Board is aware of the long-term cost of this project in relation to the bonds, sold by the State, which will fund this project.

The State Public Works Board (PWB) must recognize the project through review of documents that have already been submitted to the Corrections Standards Authority (CSA). CSA is the conduit for the County to submit to the PWB. As this project is ahead of the theoretical timeline presented by the State, we will also submit construction plans, Project Delivery and Construction Agreement (PDCA) and Jail Construction Agreement (JCA) signed by the Board, to the PWB at our first hearing before them. This reduces the number of required meetings before the PWB from four to three. Once our submission is accepted by the CSA and subsequently placed on the next available PWB agenda, the County will await PWB recognition of the project. After project recognition and contract signing by the State, anticipated to occur in April 2012, the County will then submit construction documents and cost estimates as soon as possible for the final hearing before the PWB and anticipated authorization to send the project out to bid. Once bids are received, the project and bids go back to the PWB for final approval for financing by the State.

#### Current Request

It is requested that your Board approve the Project Delivery and Construction Agreement (PDCA - Clerk's file) and the CSA Jail Construction Agreement (JCA - Clerk's file) which will allow access to funding through AB 900.

The PDCA provides for the following:

- Binds the County to build the project if it is funded by the State

- Allows for a future Ground Lease Agreement upon which to build the project  
Allows Right of Entry once leased
- Enters the County into an agreement to comply with CSA rules and regulations regarding jail construction
- Notifies the County that lease-revenue bonds will be used to finance the project
- Enters the California Department of Corrections and Rehabilitation into additional agreements with the Public Works Board to provide the County with the beneficial use of the project until such time that the bonds have been paid by CDCR and retired
- Turns ownership of the project relevant to the bonds over to the County

The JCA provides for the following:

- Identifies AB 900 Jail Financing Program as a source of funding to build the project
- Identifies roles and responsibilities and performance expectations by the County and CSA
- Details the financing and matching funds for the project

Approval of today's request will have the following impacts:

- The contracts will:
  - Allow the County to submit, through CSA, to the PWB to recognize and authorize the project
  - Allow the County to enact future contracts which will authorize funding
  - Allow construction of the much needed facility.
- Use of AB 900 funds commits the County to lease the property to the State for at least 30 years, or to the repayment of the bonds by the State, and will be memorialized in a future contract with the State.
- Requires the County to staff and operate the jail during this time frame
- Requires the County to provide an estimate of the 30-year staffing and operational costs for the proposed project
  - Requires 24 dedicated staff which includes correctional deputies, a correctional sergeant and support staff, estimated at \$82,763,040 in today's dollars
    - The existing women's jail currently has 12 dedicated staff. 12 additional staff will be required to run the larger facility. 10 of these additional staff have already been funded through AB 109. The \$82 million figure above is comprised of \$43,825,082 associated with the continuation of existing staff and \$38,937,958 is associated with the additional staff required to run the expanded women's jail. Of this additional funding, \$32,579,884 is funded with AB 109 funding which leaves \$6,358,074 for two positions to be funded over the next 30 years.
  - Requires estimated cost of \$2,463,000 for maintenance
  - Requires estimated cost of \$1,182,000 for utilities

If the project proceeds, contracts with the state are approved, and the new women's jail and medical facility is constructed, the County will expend approximately \$10 million for the new capital improvements. Once the facilities are fully operational the County will have an ongoing commitment of approximately \$1.6 million in staffing and other operational expense annually. The ongoing expense includes approximately \$1.4 million for staff in the jail, and approximately \$200,000 in additional expense for maintenance, utilities and food and clothing for inmates. There is some funding relief provided by AB 109, State inmate realignment, which has offset the cost and started the staffing increase initially projected for this project. Additionally, operational expenses are presently being supplemented with AB 109

funding and are expected to continue.

Construction of the women's jail and medical facility will provide space needed to run inmate programs. Without the space afforded by the new facilities, the potential for future expansion of existing programs and implementation of new programs will be limited.

Coordination and collaboration among the criminal justice agencies has identified strategies and is already beginning the expansion of programs to reduce recidivism. This partnership is in its early stages of development and this project will create the necessary space within the jail to provide inmate programs and help reduce the inmate population. Funding for programs to reduce recidivism and slow the rate of incarceration is currently being supplemented with AB 109 funds.

### **OTHER AGENCY INVOLVEMENT/IMPACT**

The County Administrative Office, County Counsel, General Services Agency and the Sheriff's Office have continued to work with the Corrections Standards Authority, California Department of Corrections and Rehabilitation, State Department of General Services Real Estate Division, and State Department of Finance to facilitate this project.

### **FINANCIAL CONSIDERATIONS**

Total cost for the entire project is approximately \$41.9 million. Construction costs for the women's jail and medical facility are eligible for approximately \$25.1 million in state funding. The State has also recognized an In-Kind match of \$1.3 million. The County's share of funding for the jail housing unit, medical facility and the new security system is estimated to be \$10 million. The design for the optional IRC project is included in the above funding. Funding for the IRC (\$5.5 million) has not been identified and this project component would only be recommended if there are sufficient savings in other areas of the project. The opportunity to use state funding to offset 75% of the construction cost for a new woman's jail and medical facility may not again be available for decades. If the funds are rescinded, and if in the future, expansion is necessary, the County will absorb the entire cost of any future expansion project.

### **RESULTS**

Proceeding with the development of the project will expand the capacity of the women's jail by up to 155 beds, alleviate overcrowding conditions and provide capacity for the future. It will also provide improved medical facilities for both men and women inmates, additional space for rehabilitation programs, inmate counseling and education. Replacement of the entire electronic security system within the existing jail complex, could potentially result in reduced maintenance, repair costs and improve jail security. The County would offset approximately \$25.1 million of the expense for the new facilities by use of the State grant funds. The facility improvements would contribute to a safer community.

### **ATTACHMENTS**

1. PCDA Clerk's File
2. JCA Clerk's File
3. WJE Vicinity Map